



# **STATE OF GEORGIA**

## **2000 ANNUAL REPORT REGARDING PROPERTY TAX ADMINISTRATION**

**GEORGIA DEPARTMENT  
OF  
REVENUE**

**January 20, 2001**

**T. Jerry Jackson  
Commissioner**

# Commissioner's Report to the General Assembly

## **Regarding Property Tax Administration**

*Georgia Department of Revenue*

*January 20, 2001*

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## HIGHLIGHTS OF ANNUAL REPORT

### DIGEST REVIEW:

- ! The Revenue Commissioner continues to insure uniformity and equalization between and within counties using the same procedures enacted in 1992, and in the manner prescribed in Article 5A of Chapter 5 of Title 48.
- ! Of the 53 counties falling in the 1999 review year, 9 county ad valorem tax digests failed to meet the state standards for approval, compared to 13 counties in 1998. As a result, \$70,745 was initially assessed in penalties and \$53,547 in additional state tax. After appeals, the penalty amount of \$70,745 was either withdrawn or will be deferred once a consent order is signed. The total additional state tax, after appeals, amounted to \$38,256.
- ! Of the other 106 counties, 12 county ad valorem tax digests failed to have an acceptable overall average assessment ratio, compared to 22 in 1998. As a result, additional state tax and interest in the amount of \$351,180 was assessed these 12 counties.
- ! The average level of assessment, as measured by the Median, has fallen from 38.58% in tax year 1993 to 37.33% for tax year 1999. Even so, the assessment level remains within the acceptable standard of 36.00% to 44.00%.
- ! The average level of uniformity, as measured by the Coefficient of Dispersion, has decreased from 15.05% in 1993 to 11.49% for 1999, indicating continued improvement in this statistical measure.
- ! The average level of assessment bias, as measured by the Price Related Differential, has also shown continued improvement; a measure of 101.06% in 1999, compared to 102.43% in 1993.
- ! Assessed values reached a high of 187 billion in 1999 or a 8.8% increase from the values reported in 1998; while the average millage rate of 24.35 decreased less than 2% from 1998 to 1999.

### PUBLIC UTILITIES:

- ! The statewide average equalization ratio for public utility property in 2000 was 37.40% compared to 37.27% in 1999. Though decreasing, we do not expect a continuation, as counties are performing revaluations that are expected to improve the statewide average in future years.
- ! Equalization ratios for 81 of the 159 counties were proposed at a ratio less than 40%.

### PREFERENTIAL AGRICULTURAL ASSESSMENT:

- ! Since the implementation of Preferential Agricultural Assessment in 1984, the number of parcels in this program has risen from approximately 10,000 to almost 23,000; the amount of value eliminated from the digests has increased from 86.9 million to 191.2 million; and the total tax dollars lost by local government has increased from 1.6 million to 4.7 million.

#### **CONSERVATION USE VALUATION:**

- ! Since the implementation of Conservation Use Valuation in 1992, the number of parcels in this program has risen from approximately 16,000 to more than 60,000; the amount of value eliminated from the digests has increased from 395.8 million to approximately 1.9 billion; and the total tax dollars lost by local government has increased from 8.9 million to approximately 50.1 million.
- ! These dramatic increases are expected to continue to grow as property valuations increase.

#### **TIMBER TAXATION:**

- ! Since 1992, values reported for timber sales and harvests have increased from 493.1 million to 712 million or 44%, while the revenues for the same time period have increased from 11.5 million to 18 million, or approximately 36%.
- ! Prior to 1996, each quarter the Department was required to develop a Table of Owner Harvest Timber Values report used by timber companies and individuals for reporting the value of timber harvested from their own land. In 1996, the change to O.C.G.A. 48-5-7.5 requiring that this be done on an annual basis has definitely saved the Department time and personnel costs.

#### **RECOMMENDATIONS:**

- ! Increase the level of state appraisal expertise provided to the counties from the current 15. See Page 32 of Report
- ! Provide the Department with the necessary funds to conduct research into rapidly evolving technologies as required by O.C.G.A. Section 48-5-270. See Page 33 of Report
- ! Reinstate budget funds for Staff Grants and minimum staff supplements. See Page 33 of Report

## **Reporting Requirements**

The Commissioner's responsibility for continuing to provide the General Assembly with the effect of property tax administration and the continued enactment of laws created by legislation and administered by the Department of Revenue, Property Tax Division are as follows:

- ! O.C.G.A. Section 48-5-349.5 requires the examination of the digest of each county to ensure that all property valuations are reasonably uniform and equalized among the counties and within the counties. This code section provides for a status report on this review process along with the Commissioner's observations regarding the progress of the counties in ad valorem tax administration.
- ! O.C.G.A. Section 48-5-7.1 requires the submission of a report showing the fiscal impact of the law providing for the preferential assessment of tangible real property devoted to agricultural use. Qualified farm property is assessed at 75% of the value under this program and this report analyzes the effect of this program on taxpayers and levying authorities.
- ! O.C.G.A. Section 48-5-7.4 requires a report showing the fiscal impact of the law providing for conservation use assessment of certain agricultural properties attendant with this code section. Qualified farm property is assessed at its current use value using a table of values established by the Commissioner following specific legal procedures. This report analyzes the adverse fiscal impact, if any, on other taxpayers and levying authorities.

The Commissioner believes these separate reporting requirements are important in maintaining the awareness of the impact of these enactments.

## **Digest Review Procedures**

The Commissioner, through the Property Tax Division, has been given the statutory duty of reviewing county tax digests to determine if the digests meet the criteria mandated in statute case laws and regulation for level of assessment<sup>1</sup>, uniformity<sup>2</sup> and equalization<sup>3</sup>.

Article 5A of Chapter 5 of Title 48 establishes the procedure for the Commissioner to equalize county property tax digests between and within counties and compel county boards of tax assessors to make adjustments in property valuations so as to insure uniformity and equity.

As directed by the legislature, the Commissioner has adopted a three-year digest review cycle in which each county's tax digest is reviewed extensively to determine the level of assessment, uniformity and equalization in each property class. In any given year, one third of the county tax digests are subject to extensive statistical testing. Counties, which do not meet the criteria, set forth in the statute and regulations are allowed an opportunity during the three year cycle to correct any deficiencies by the next review year. The other counties that are not being extensively reviewed are examined for level of assessment to equalize the state levy and public utility assessments. The Commissioner approves any county's digest as being reasonably uniform and equalized if the digest meets certain standards:

For those digests submitted by counties in their digest review year, the Commissioner completes his review on or before August 1 of the following tax year. Based upon this review, the Commissioner will approve any digest when it is found to be reasonably uniform and equalized by having met the following state established standards:

the average level of assessment for each class of property meets the state standards of 36% to 44%;

the average measure of overall equalization, the *coefficient of dispersion*<sup>4</sup>, meets the state standard of 15% or less for residential properties and 20% or less for all other property classes; and

the bias ratio, or statistical measure of *price related differential*<sup>5</sup>, meets the state standard of 95% to 110%.

The Commissioner conditionally approves the digest and assesses a penalty of \$5.00 per taxable parcel of real property if a county's review year digest contains the same or similar deficiencies as the previous review year digest. If the overall average assessment level does not meet state standards, the county is assessed additional state tax in the amount equal to the difference between the state's one-quarter of a mill that would have been produced if the digest had been at the proper assessment level and the amount the digest actually produces for collection purposes.

For those counties submitting their digest during a non-review year, digests are evaluated by the

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<sup>1</sup> The comparison of an individual property's actual sales price versus its assessed value is a measure of the level of assessment. The ratio required by state statute is 40%.

<sup>2</sup> The measurement of quality of the results produced by a county's valuation program will determine if properties are valued in a uniform manner.

<sup>3</sup> Equalization is the measure of equality of assessment. In order to possess good equalization, a county tax digest should value all properties at about the same level of assessment.

<sup>4</sup> The coefficient of dispersion is the statistical representation of equalization.

<sup>5</sup> The price-related differential is the statistical measure of assessment bias. This demonstrates whether lower or higher priced properties are more accurately assessed.

Commissioner based on the overall average assessment ratio deviation from the proper assessment ratio of 36% to 44%.

If the Commissioner determines that a county's digest does not meet the acceptable ratio of 36% to 44%, the county is assessed additional state tax in the amount equal to the difference between the state's one-quarter of a mill that would have been produced if the digest had been at the proper assessment rate and the amount the digest actually produces for collection purposes.

To measure the compliance of each county in meeting state standards for digest approval, the Commissioner performs a sales ratio study for each county using actual sales compared to the assessed values established for ad valorem tax purposes. In some instances appraisals performed by the State Audit Department are included to supplement the study. Each county's ratio study measures the statistical standards of level of assessment, uniformity and equalization.

Results of the 1999 digest reviews for counties falling in the 1999 Review Year and the current status of each:

The review of the 53 counties falling within the 1999 review year resulted in only 9 counties being subject to the \$5.00 per taxable parcel penalty, additional state tax, or both.

COUNTY	\$5/PARCEL PENALTY	ADDITIONAL STATE TAX ASSESSED	INTEREST PAID	CURRENT DISPOSITION
CRAWFORD		4,612		ADDITIONAL STATE TAX PAID
JONES		9,994		ADDITIONAL STATE TAX PAID
LAMAR		9,640		ADDITIONAL STATE TAX PAID
LINCOLN		5,599	53	ADDITIONAL STATE TAX PLUS INTEREST PAID
MACON	36,345			PENALTY WITHDRAWN UPON APPEAL-DIGEST APPROVED
TERRELL		4,054		ADDITIONAL STATE TAX WITHDRAWN UPON APPEAL
TREUTLEN		1,828		ADDITIONAL STATE TAX PAID
UPSON		11,290		ADDITIONAL STATE TAX WITHDRAWN UPON APPEAL
WILKES	34,400	6,530		APPEAL PENDING
<b>TOTAL</b>	<b>70,745</b>	<b>53,547</b>	<b>53</b>	

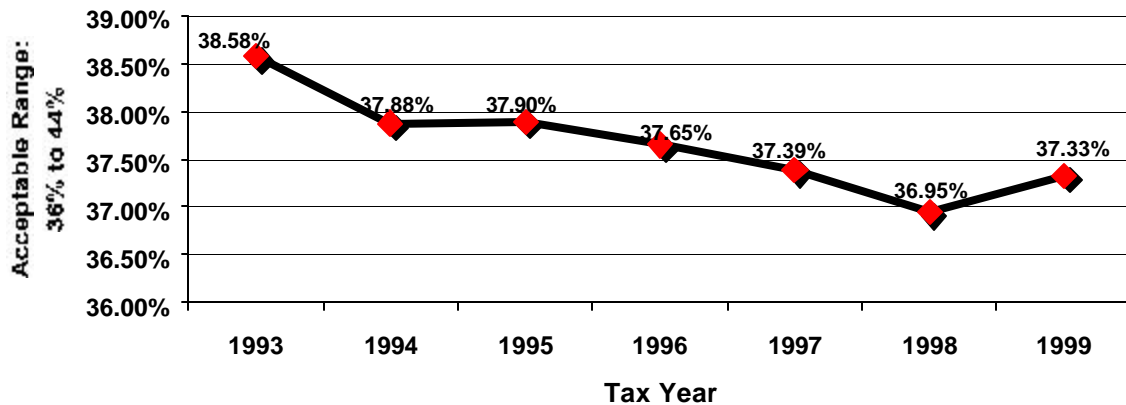
The review of the other 106 counties resulted in 24 counties being assessed additional state tax:

COUNTY	ADDITIONAL STATE TAX	INTEREST PAID	COUNTY	ADDITIONAL STATE TAX	INTEREST PAID
BACON	4,595	92	LUMPKIN	13,142	
BALDWIN	14,117	282	MCINTOSH	7,143	286
BERRIEN	13,924		MILLER	4,450	
BIBB	99,662	2,990	PEACH	8,737	
DODGE	9,109	182	PIKE	8,572	86
ELBERT	9,884	395	PULASKI	5,298	
EMANUEL	6,847	137	RANDOLPH	4,795	
FRANKLIN	19,794		SCHLEY	2,010	40
GILMER	48,028	961	SCREVEN	8,724	
JACKSON	30,014		SEMINOLE	5,921	118
JENKINS	3,397	68	TALBOT	2,673	112
JOHNSON	4,037		TWIGGS	9,860	99
			<b>TOTAL</b>	<b>345,333</b>	<b>5,847</b>

Several graphs are being included on the following pages to provide a visual indication of the various measurable statistical standards since 1993:

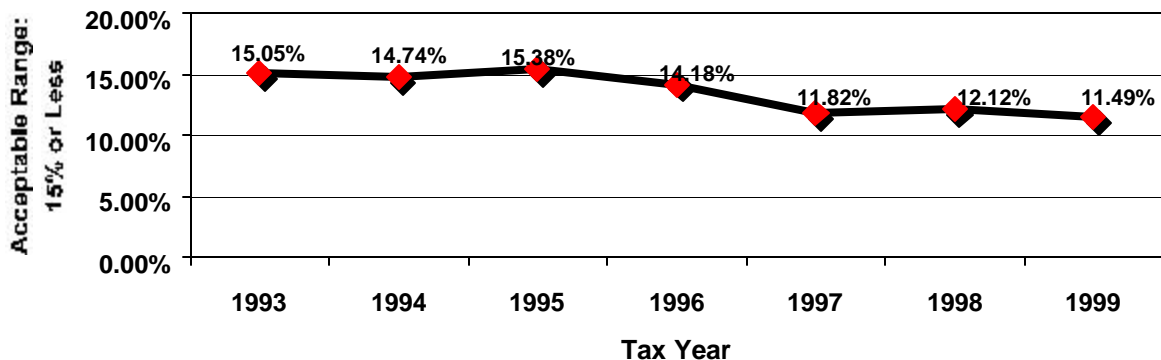
- Figure 1** - This graph indicates that, even though the Median Ratio has fallen from 38.58% in 1993 to 37.33% in 1999, the assessment level remains within the acceptable standard of 36% to 44%. In general, Georgia law requires taxes to be assessed at 40% of the fair market value of the property. So the overall level of assessment is a measure of the effectiveness of the county's valuation program.

**Figure 1 - Average Level of Assessment**



- Figure 2** – This graph shows the average level of uniformity, as measured by the Coefficient of Dispersion, and indicates the equality of assessments between individual properties. Case law indicates that this is the most important measure of fairness within a taxing jurisdiction. Beginning with the 1995 tax year, the Commissioner, through regulation, tightened the acceptable standard of equalization and uniformity from 20% or less to 15% or less for residential properties, and from 25% or less to 20% or less for non-residential properties. Since 1993, this statistical average has decreased from 15.05% to 11.49% for 1999, demonstrating continued improvement.

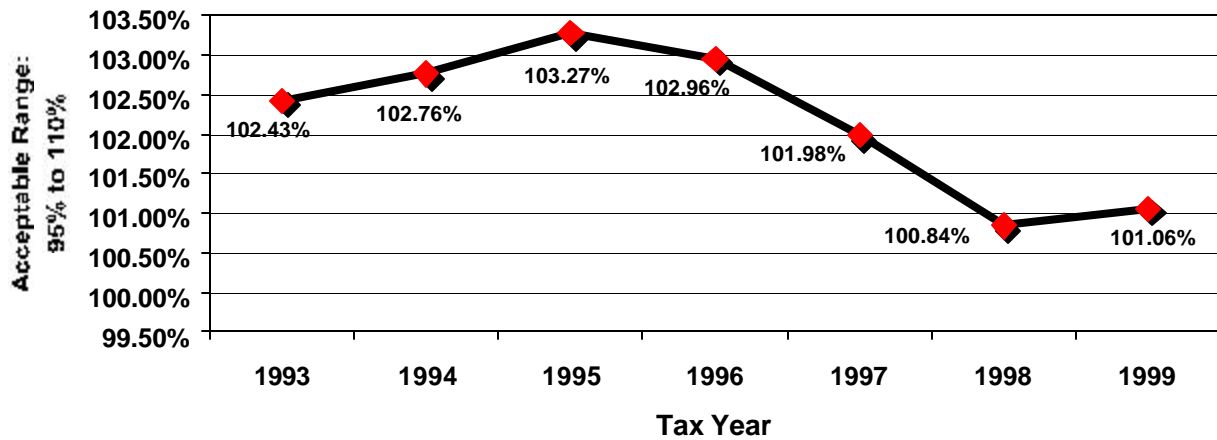
**Figure 2 - Average Level of Uniformity**





**Figure 3** - This chart shows the past seven years average assessment bias, as measured by the Price Related Differential. This standard has also shown continued improvement from 1993 when the average was 102.43% to the 1999 average of 101.06%.

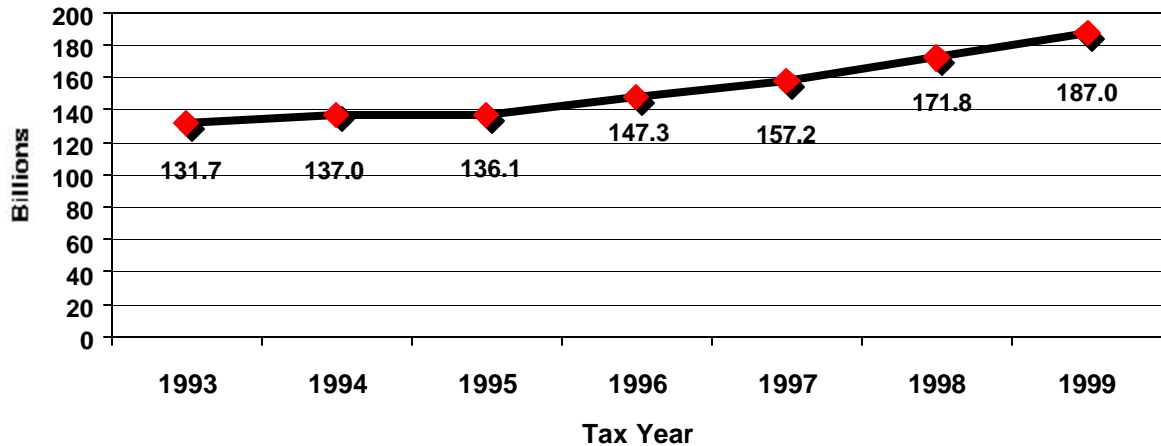
**Figure 3 - Average Level of Assessment Bias**



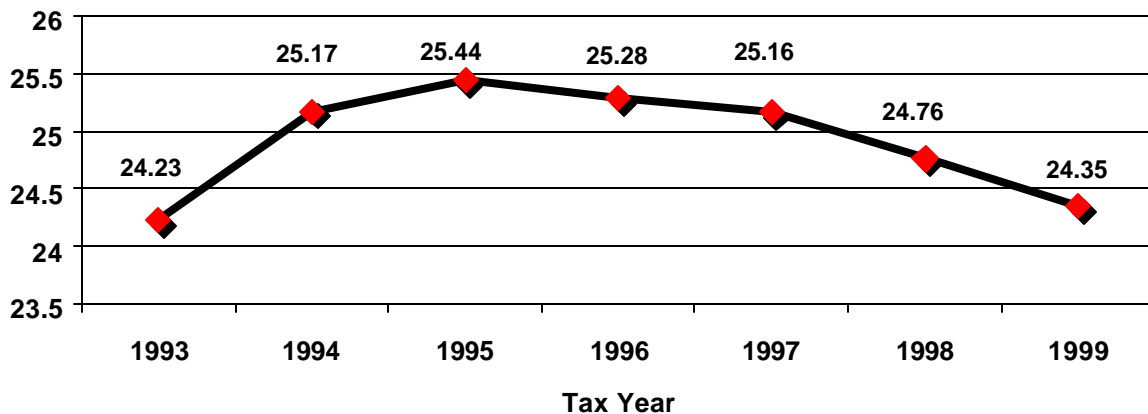
## Value and Revenue

Since the implementation of the new digest review procedures, counties have been constantly performing either total or partial revaluations and updates to properties in order to conform to the state standards for acceptable digests. In doing these revaluations and updates, property values have increased significantly since 1993. **Figures 4 and 5** show the changes in the total values and the average millage during the last several years, while **Figure 6** shows the breakdown by property class of the values reported on the 1999 tax digests.

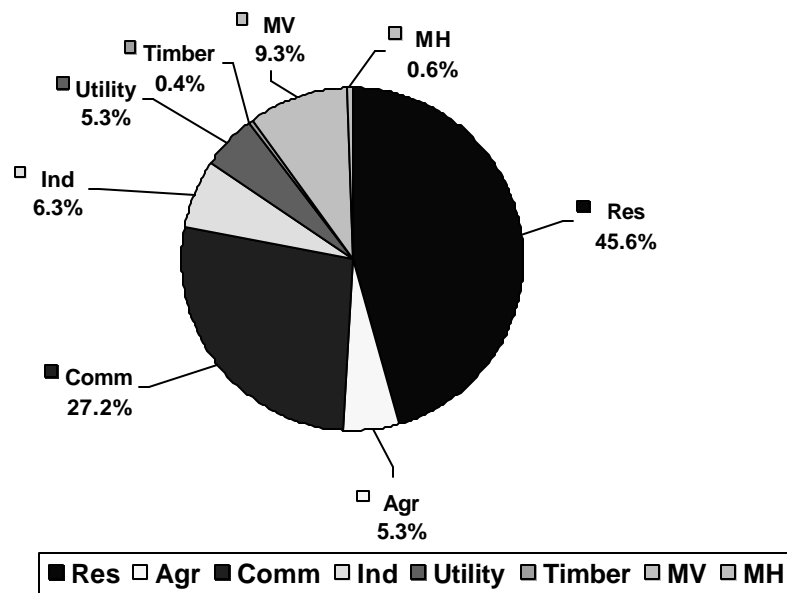
**Figure 4 - Total Assessed Value**



**Figure 5 - Average Millage Rate**

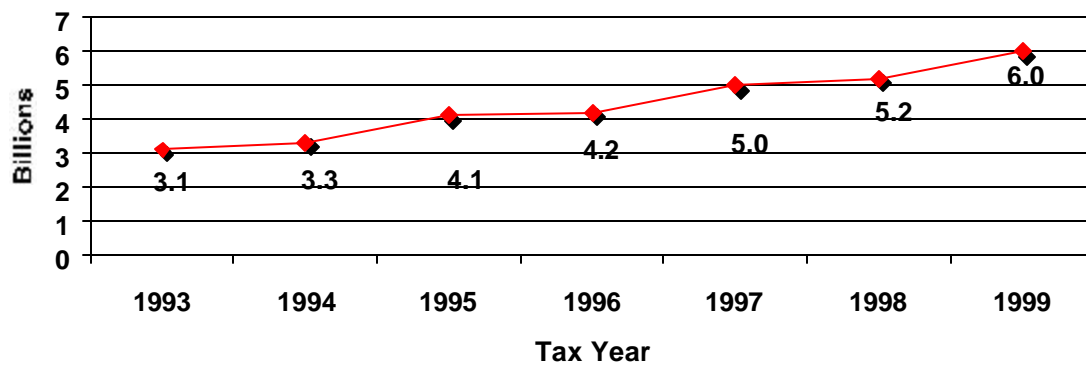


**Figure 6 - Percentage of 1999 Values by Property Class**

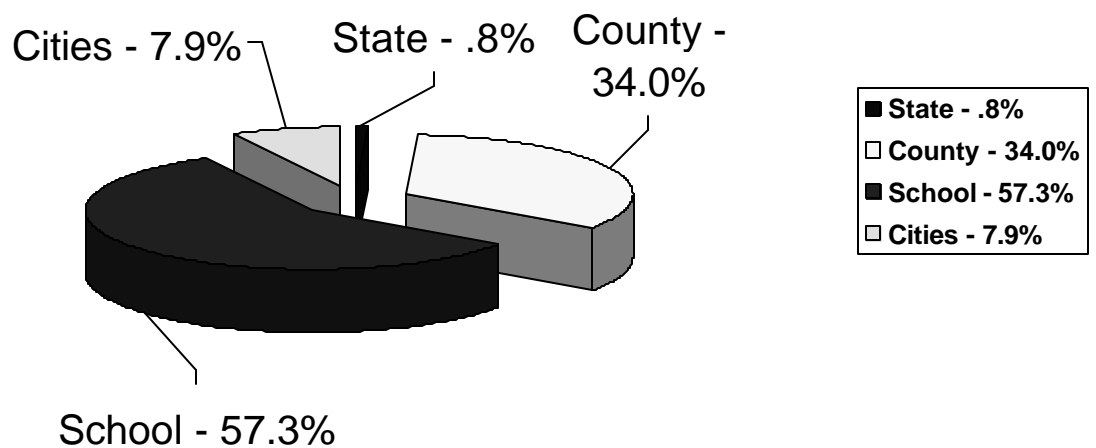


Property tax continues to be the primary revenue source for local governments. Currently, approximately 5.2 billion in revenue is collected from property taxes in Georgia. Because there is limited Department involvement in the collection of city taxes, this report does not focus on this tax type. **Figures 7 and 8** show the total revenues and the revenue breakdown by tax type generated from the 1999 tax digests. **Figures 9, 10 and 11** show the breakdown of the tax burden between the different classes of property for County, School, and State tax purposes. It is evident from these figures that residential property owners continue to bear the largest share of the tax burden, with commercial property owners following next.

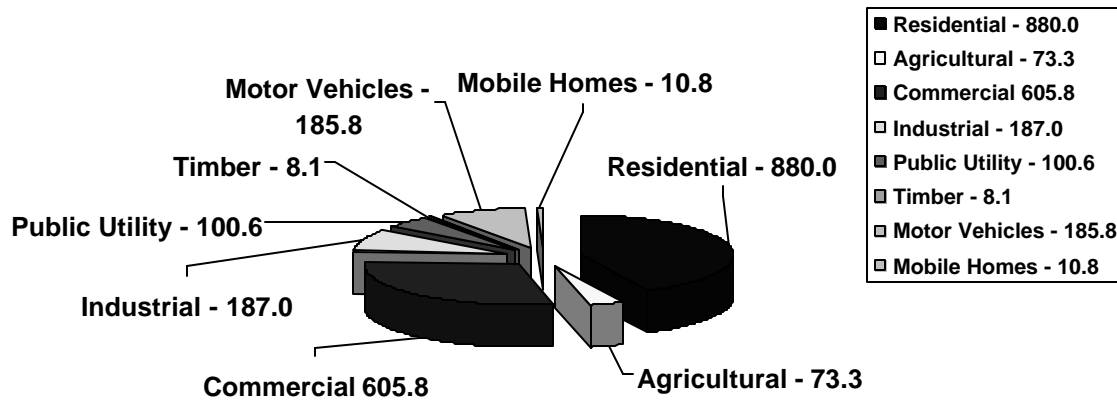
**Figure 7 - Comparison of Total Revenue**



**Figure 8 - 1999 Total Revenue By Tax Type - In Billions**



**Figure 9 - 1999 County Tax Revenue - In Millions**



**Figure 10 - 1999 School Tax Revenue - In Billions**

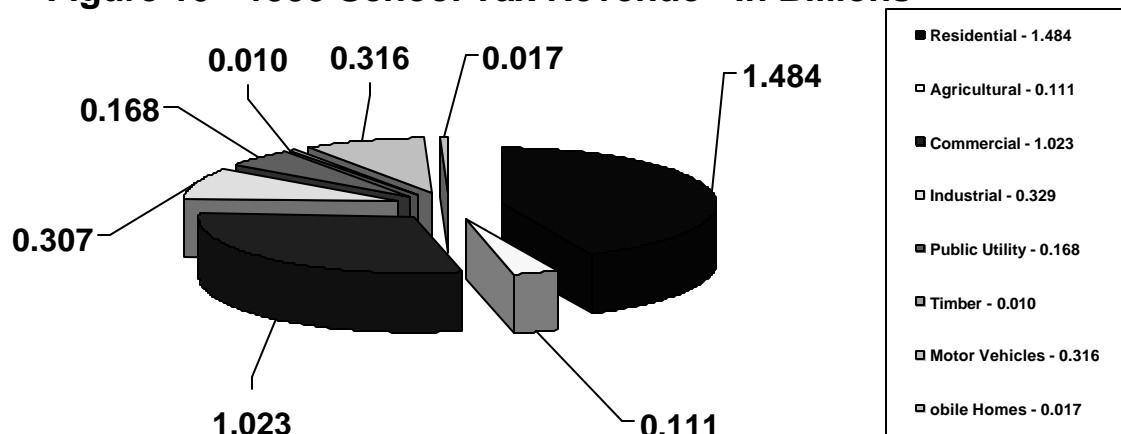
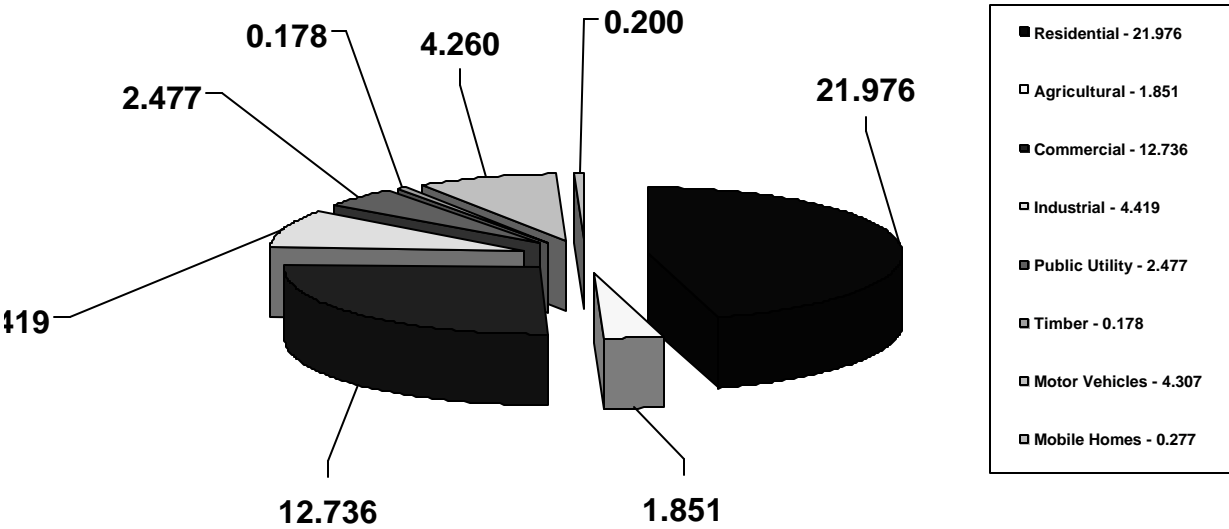


Figure 11 - 1999 State Tax Revenue - In Millions



## **Public Utilities**

O.C.G.A. Section 48-2-18 requires the Commissioner to annually propose assessments for public utility property and to insure that these properties are assessed at the same overall average assessment level as other property in the county. Each utility company is required to annually return their properties indicating location, description, type of property and valuation. The Commissioner's staff inspects these returns to insure the accuracy of each utility company's declarations.

The location of the property must include the county within which it is located, the tax district within that county, (i.e. County, City, etc) and a physical address such as a street name. These property returns also include a physical description of the property. The utility company is required to identify the property's designated type, operating or non-operating. Operating property is defined as any property required, directly or indirectly, for the operation of the utility. Non-operating property would then be any property not required for the operation of the utility.

In determining each county's proposed assessments for 2000 public utilities and airlines, the Commissioner calculated the equalization ratios using 1999 digest totals and ratio statistics. This method insured that proposed public utility values were set at the same overall average assessment level as other properties.

Once the State Board of Equalization approved these values and equalization ratios and assessments were issued to the counties and utility companies. Each county board of tax assessors then determined the final assessment of utility properties by either accepting the State's proposed values or substituting their own in issuing assessment notices to the utility companies.

**Table 1** on the following page shows each county's 1999 equalization ratio as proposed by the state and the ratio finally determined by the county board of tax assessors. In most instances where the ratio used by the county exceeds the state proposal, it is due to the county's having preformed an update or revaluation.

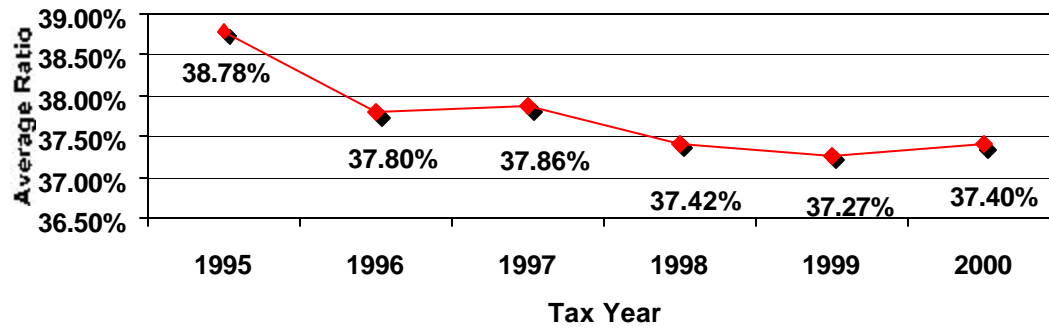
**Table 1 – 2000 Public Utility Equalization Ratios Using 1999 Digest Ratios**

County	Proposed Ratio	Final Ratio	County	Proposed Ratio	Final Ratio	County	Proposed Ratio	Final Ratio
Appling	40.00	40.00	Evans	40.00	40.00	Newton	40.00	40.00
Atkinson	40.00	40.00	Fannin	36.11	36.11	Oconee	40.00	40.00
Bacon	34.29	34.29	Fayette	37.74	40.00	Oglethorpe	40.00	40.00
Baker	40.00	40.00	Floyd	36.77	40.00	Paulding	40.00	40.00
Baldwin	35.26	40.00	Forsyth	37.04	37.04	Peach	36.77	36.77
Banks	40.00	40.00	Franklin	31.29	31.29	Pickens	40.00	40.00
Barrow	40.00	40.00	Fulton	35.50	37.14	Pierce	40.00	40.00
Bartow	40.00	40.00	Gilmer	26.20	26.20	Pike	34.03	34.03
Ben Hill	40.00	40.00	Glascok	37.26	37.26	Polk	40.00	40.00
Berrien	34.24	34.24	Glynn	36.29	36.29	Pulaski	33.81	33.81
Bibb	34.98	34.98	Gordon	36.51	36.51	Putnam	40.00	40.00
Bleckley	40.00	40.00	Grady	37.70	37.70	Quitman	40.00	40.00
Brantley	37.08	40.00	Greene	40.00	40.00	Rabun	40.00	40.00
Brooks	36.96	36.96	Gwinnett	40.00	40.00	Randolph	33.05	33.05
Bryan	40.00	40.00	Habersham	40.00	40.00	Richmond	40.00	40.00
Bulloch	40.00	40.00	Hall	37.58	37.58	Rockdale	40.00	40.00
Burke	40.00	40.00	Hancock	40.00	40.00	Schley	33.70	40.00
Butts	40.00	40.00	Haralson	37.72	37.72	Screven	33.31	33.31
Calhoun	40.00	39.10	Harris	40.00	40.00	Seminole	33.37	40.00
Camden	40.00	40.00	Hart	40.00	40.00	Spalding	37.59	37.59
Candler	40.00	40.00	Heard	37.22	40.00	Stephens	40.00	40.00
Carroll	40.00	40.00	Henry	37.61	40.00	Stewart	37.97	37.97
Catoosa	40.00	40.00	Houston	37.95	37.27	Sumter	40.00	40.00
Charlton	36.60	36.60	Irwin	37.90	37.90	Talbot	35.26	35.84
Chatham	40.00	40.00	Jackson	33.84	40.00	Taliaferro	36.25	36.25
Chattahoochee	36.93	36.93	Jasper	37.93	37.93	Tattnall	36.03	36.03
Chattooga	40.00	40.00	Jeff Davis	40.00	40.00	Taylor	35.91	36.01
Cherokee	37.42	37.42	Jefferson	40.00	40.00	Telfair	40.00	40.00
Clarke	40.00	40.00	Jenkins	34.79	34.79	Terrell	35.91	35.91
Clay	40.00	40.00	Johnson	32.02	32.02	Thomas	40.00	40.00
Clayton	37.40	37.40	Jones	35.29	35.29	Tift	40.00	40.00
Clinch	36.77	36.77	Lamar	33.74	33.74	Toombs	40.00	40.00
Cobb	37.66	40.00	Lanier	40.00	40.00	Towns	40.00	40.00
Coffee	40.00	40.00	Laurens	40.00	40.00	Treutlen	35.00	35.00
Colquitt	40.00	40.00	Lee	40.00	40.00	Troup	40.00	40.00
Columbia	40.00	38.43	Liberty	36.71	36.71	Turner	40.00	40.00
Cook	37.96	37.96	Lincoln	32.11	32.11	Twiggs	32.91	32.91
Coweta	37.47	37.47	Long	36.09	36.09	Union	40.00	40.00
Crawford	34.94	40.00	Lowndes	40.00	40.00	Upson	40.00	40.00
Crisp	37.76	40.00	Lumpkin	35.13	35.13	Walker	40.00	40.00
Dade	40.00	40.00	Macon	36.97	36.97	Walton	40.00	40.00
Dawson	40.00	40.00	Madison	37.57	37.57	Ware	40.00	40.00
Decatur	40.00	40.00	Marion	40.00	40.00	Warren	36.89	40.00
Dekalb	37.67	37.67	McDuffie	40.00	40.00	Washington	37.42	37.42
Dodge	32.87	32.87	McIntosh	34.01	34.01	Wayne	40.00	40.00
Dooly	40.00	40.00	Meriwether	37.40	40.00	Webster	40.00	40.00
Dougherty	40.00	40.00	Miller	33.63	33.63	Wheeler	37.81	37.81
Douglas	37.46	37.46	Mitchell	40.00	40.00	White	37.22	37.22
Early	37.37	37.37	Monroe	36.58	36.58	Whitfield	37.29	37.29
Echols	36.07	36.07	Montgomery	36.37	36.37	Wilcox	40.00	40.00
Effingham	40.00	40.00	Morgan	37.52	40.00	Wilkes	34.62	34.62
Elbert	35.02	40.00	Murray	40.00	40.00	Wilkinson	36.90	36.90
Emanuel	35.69	35.69	Muscogee	40.00	40.00	Worth	40.00	40.00
<b>STATE WIDE AVERAGE: 37.40</b>								



**Figure 12** below shows the trend of the statewide proposed public utility equalization ratios. The graph indicates that, even though the statewide average has been declining since 1995, the 2000 average is starting to show an upward trend.

**Figure 12 - Trend of Average Proposed Public Utility Equalization Ratio**



## PREFERENTIAL AGRICULTURAL ASSESSMENT

In the 1983 legislative session, O.C.G.A. § 48-5-7.1 was passed establishing preferential assessment of tangible real property devoted to bona fide agricultural purposes.

By statute, all real property is assessed at 40% of fair market value, however, the new legislation provided for a 30% level of assessment or 75% of the value at which other taxable real property is assessed. Property devoted to bona fide agricultural purposes is defined as:

- I. Tangible real property where the primary use is good faith production of agricultural products including:
  - a. horticultural
  - b. floricultural
  - c. forestry
  - d. dairy
  - e. livestock
  - f. poultry
  - g. apiarian products and all other forms of farm products
  - h. \$100,000 or less of the fair market value of real property devoted to the storage or processing of agricultural products.
  - i. excludes the value of any residence located on the property.
- II. Property qualifying for preferential assessment is limited to 2000 acres and must be owned by either
  - a. one or more natural or naturalized citizens;
  - b. a family farm corporation, owned by related individuals and deriving at least 80% of its gross income from agricultural pursuits on property located in Georgia.

In making application for preferential assessment, qualifying taxpayers must have signed a covenant (contract) agreeing to continuously maintain the property in agricultural pursuits for a period of 10 years. Transfers of ownership were allowed, provided the property was transferred to another qualifying entity that agreed to continue the property in agricultural pursuits for the remainder of the covenant period. Otherwise, the covenant was breached and a penalty imposed. Penalties ranged from 15 times the tax savings if the breach occurred during the first year of the covenant, to a minimum of 3 times the tax savings if a breach occurred during the tenth year of the covenant.

Since the passage of HOUSE BILL 230, several amendments have affected the provisions of preferential assessment.

- I. In 1985, the General Assembly amended the statute to allow transfers of property under preferential assessment without a penalty being assessed. These types of transfers included:
  - a. up to 3 acres of land, to be used for residential purposes and occupied by parties related to the covenant holder;
  - b. mineral exploration; and
  - c. for purposes of land conservation, federal agricultural assistance programs or for agricultural management purposes.

- II. The amendment also reduced the penalty to the actual tax savings realized during the covenant for breaches occurring as a result of foreclosure.
- III. A 1986 amendment added a provision allowing a reduced penalty of the actual tax savings for breaches occurring as a result of an owner becoming medically unable to continue the property in agricultural uses.
- IV. In 1987, the statute was again amended to relax the penalties for covenant breaches. Rather than penalties being assessed at 3 times all years tax savings, the amendment set up a penalty amount of only one year's tax savings times a factor of 2 to 5 depending on the year of the covenant in which the breach occurred.

Currently, the preferential assessment program will allow a covenant holder to transfer up to 5 acres of land to be used for residential purposes and occupied by parties related to the covenant holder.

### **Fiscal Impact**

The **Table 2** below shows for each tax year, since the beginning of this program, the statewide number of parcels, the total value eliminated, the total tax dollar loss, and the percentage change of each category.

**Table 2 - Preferential Assessment Fiscal Impact**

YEAR	PARCELS	PERCENT CHANGE	TOTAL VALUE ELIMINATED	PERCENT CHANGE	TOTAL TAX DOLLAR LOSS	PERCENT CHANGE
1984	10,001	N/A	86,969,884	N/A	1,588,974	N/A
1985	11,839	+ 18.4	105,327,904	+ 21.1	1,992,707	+ 25.4
1986	12,642	+ 6.8	115,411,332	+ 9.6	2,227,704	+ 11.8
1987	13,446	+ 6.4	119,970,016	+ 3.9	2,370,396	+ 6.4
1988	15,306	+ 13.8	134,584,711	+ 12.2	2,864,733	+ 20.9
1989	16,978	+ 10.9	148,115,075	+ 10.1	3,782,095	+ 32.0
1990	19,947	+ 17.5	176,780,216	+ 19.4	4,010,259	+ 6.0
1991	23,086	+ 15.7	204,261,412	+ 15.5	4,657,783	+ 16.1
1992	23,243	+ .7	180,985,796	- 11.4	4,232,187	- 9.1
1993	18,388	- 20.9	145,151,076	- 9.8	3,542,375	- 16.3
1994	17,836	- 3.0	137,170,751	- 5.5	3,362,403	- 5.1
1995	22,226	+ 24.6	165,278,063	+ 20.5	4,249,807	+ 26.4
1996	23,501	+ 5.7	174,157,485	+ .4	4,410,076	+ 3.8
1997	23,915	+ 1.8	181,350,311	+ 4.1	4,654,542	+ 5.5
1998	23,340	- 2.4	189,169,970	+ 4.3	4,701,626	+ 1.01
1999	22,634	-3.02	191,204,332	+1.08	4,760,183	+1.25

The Department will continue to monitor this program and provide data each year as required by law.

**Table 3** on the following page illustrates a county by county breakdown of the preferential agricultural assessment local impact analysis for 1999.

**TABLE 3 – PREFERENTIAL AGRICULTURAL ASSESSMENT FOR 1999**

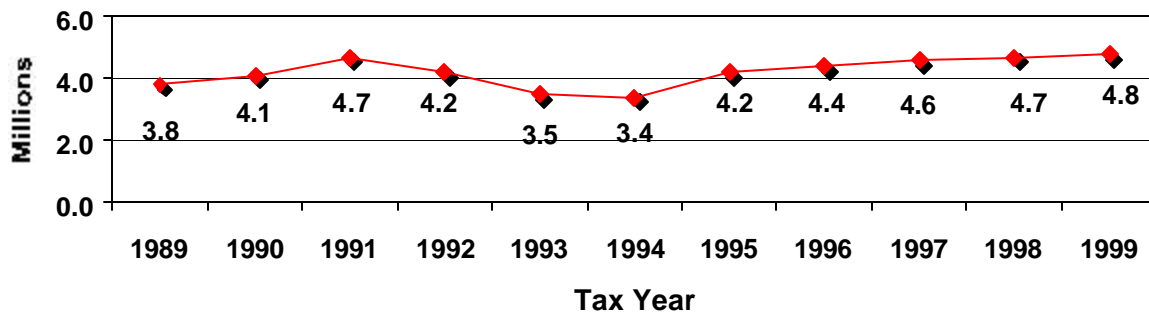
COUNTY	PARCEL COUNT	VALUE ELIMINATED	STATE TAX LOSS	COUNTY TAX LOSS	SCHOOL TAX LOSS	SPECIAL TAX LOSS	TOTAL TAX LOSS
APPLING	397	2,071,411	518	20,362	32,086	0	52,966
ATKINSON	374	2,409,663	602	37,303	31,930	0	69,835
BACON	69	435,210	109	5,658	5,440	0	11,207
BAKER	276	3,558,914	890	34,061	59,790	0	94,741
BALDWIN	31	364,917	91	4,660	6,076	0	10,827
BANKS	50	637,705	159	3,986	7,908	510	12,563
BARROW	44	469,592	117	2,956	9,557	822	13,452
BARTOW	48	603,887	151	4,230	11,148	0	15,529
BEN HILL	32	371,836	93	5,206	6,879	0	12,178
BERRIEN	372	2,428,041	607	32,172	25,494	0	58,273
BIBB	17	66,014	17	894	1,314	198	2,423
BLECKLEY	46	523,646	131	4,802	6,415	0	11,348
BRANTLEY	106	486,589	122	7,601	7,513	18	15,254
BROOKS	487	3,398,564	850	36,363	47,274	22	84,509
BRYAN	33	287,850	72	2,073	4,893	0	7,038
BULLOCH	42	348,526	87	3,433	3,625	0	7,145
BURKE	520	5,216,412	1,304	26,083	61,293	11,994	100,674
BUTTS	73	383,273	96	6,500	6,753	0	13,349
CALHOUN	344	4,171,084	1,043	44,511	35,162	0	80,716
CAMDEN	23	295,511	74	4,099	4,433	254	8,860
CANDLER	150	1,035,474	259	11,282	12,943	0	24,484
CARROLL	131	1,397,680	349	6,430	24,879	0	31,658
CATOOSA	20	175,316	44	479	2,279	0	2,802
CHARLTON	61	344,141	86	3,978	4,959	1,527	10,550
CHATHAM	0	0	0	0	0	0	0
CHATTAHOOCHEE	18	172,171	43	298	1,863	0	2,204
CHATTOOGA	52	676,344	169	5,549	6,358	0	12,076
CHEROKEE	3	60,930	15	363	1,239	152	1,769
CLARKE	0	0	0	0	0	0	0
CLAY	182	1,555,035	389	23,824	16,095	0	40,308
CLAYTON	0	0	0	0	0	0	0
CLINCH	154	1,043,927	261	11,671	14,615	4,959	31,506
COBB	0	0	0	0	0	0	0
COFFEE	124	1,311,204	328	8,287	21,307	0	29,922
COLQUITT	67	914,607	229	10,838	8,140	1,994	21,201
COLUMBIA	21	356,583	89	2,746	6,244	0	9,079
COOK	21	252,111	63	1,765	3,719	0	5,547
COWETA	100	507,354	127	2,702	10,213	1,228	14,270
CRAWFORD	115	794,201	199	11,714	14,693	0	26,606
CRISP	374	2,673,106	668	34,614	43,318	2,415	81,015
DADE	79	751,449	188	4,697	9,799	0	14,684
DAWSON	12	371,517	93	2,318	4,718	0	7,129
DECATUR	779	7,913,517	1,978	79,135	97,732	0	178,845
DEKALB	1	32,480	8	369	730	124	1,231
DODGE	196	1,101,228	275	11,012	14,316	0	25,603
DOOLY	451	3,357,054	839	44,481	56,399	0	101,719
DOUGHERTY	22	746,970	187	8,291	13,221	5,154	26,853
DOUGLAS	3	42,934	11	407	777	0	1,195
EARLY	368	3,292,405	823	21,982	42,801	0	65,606
ECHOLS	188	868,306	217	10,793	11,330	0	22,340
EFFINGHAM	38	296,255	74	2,549	4,900	505	8,028
ELBERT	234	1,310,860	328	10,987	20,318	0	31,633
EMANUEL	408	2,701,856	675	33,018	28,369	3,501	65,563
EVANS	132	1,059,742	265	7,457	11,657	0	19,379
FANNIN	2	24,800	6	157	328	0	491
FAYETTE	0	0	0	0	0	0	0
FLOYD	46	304,358	76	3,305	5,128	380	8,889
FORSYTH	60	800,080	200	2,104	13,361	800	16,465
FRANKLIN	15	78,240	20	646	1,108	0	1,774
FULTON	48	780,648	195	10,686	16,207	3,552	30,640
GILMER	69	482,040	121	3,579	6,300	0	10,000
GLASCOCK	111	803,403	201	10,891	11,416	0	22,508
GLYNN	10	341,836	85	2,389	5,982	235	8,691
GORDON	208	1,113,152	278	8,516	19,458	0	28,252
GRADY	509	6,868,535	1,717	46,500	94,786	0	143,003

COUNTY	PARCEL COUNT	VALUE ELIMINATED	STATE TAX LOSS	COUNTY TAX LOSS	SCHOOL TAX LOSS	SPECIAL TAX LOSS	TOTAL TAX LOSS
GREENE	87	736,755	184	7,110	8,104	0	15,398
GWINNETT	1	170,130	43	1,574	3,360	510	5,487
HABERSHAM	84	1,598,791	400	12,112	16,771	959	30,242
HALL	0	0	0	0	0	0	0
HANCOCK	456	2,956,813	739	91,514	49,734	0	141,987
HARALSON	168	988,140	247	9,020	13,794	0	23,061
HARRIS	119	1,258,390	315	8,252	20,701	0	29,268
HART	124	1,825,849	456	9,700	27,572	0	37,728
HEARD	49	212,858	53	1,939	2,820	0	4,812
HENRY	57	883,184	221	9,916	18,989	2,649	31,775
HOUSTON	56	696,404	174	6,205	8,677	467	15,523
IRWIN	347	2,239,947	560	24,975	37,385	2,218	65,048
JACKSON	111	1,177,225	294	8,957	22,522	1,543	33,316
JASPER	66	1,123,871	281	15,870	19,577	0	35,728
JEFF DAVIS	76	1,215,929	304	9,290	15,503	0	25,097
JEFFERSON	108	1,125,798	281	12,946	12,271	563	26,061
JENKINS	278	1,683,423	421	23,652	18,198	0	42,271
JOHNSON	40	215,168	54	2,952	2,959	0	5,965
JONES	101	947,220	237	9,453	11,178	0	20,868
LAMAR	46	406,232	102	3,352	6,780	0	10,234
LANIER	145	1,095,616	274	8,430	20,236	0	28,940
LAURENS	338	1,908,646	477	12,407	25,061	0	37,945
LEE	72	2,140,603	535	29,969	33,350	0	63,854
LIBERTY	45	288,020	72	3,462	5,127	1,152	9,813
LINCOLN	32	276,521	69	3,551	4,162	471	8,253
LONG	107	1,049,514	262	17,245	16,478	0	33,985
LOWNDES	3	27,372	7	202	393	0	602
LUMPKIN	3	19,531	5	190	312	0	507
MACON	351	2,885,720	721	31,290	45,017	0	77,028
MADISON	213	1,894,694	474	16,915	23,324	303	41,016
MARION	156	1,300,173	325	9,378	17,877	0	27,580
MCDUFFIE	123	1,481,543	370	11,630	17,779	0	29,779
MCINTOSH	24	96,929	24	946	1,478	73	2,521
MERIWETHER	179	1,921,514	480	14,617	30,264	0	45,361
MILLER	52	685,324	171	11,198	11,479	0	22,848
MITCHELL	168	2,816,822	704	43,970	27,277	0	71,951
MONROE	30	336,237	84	2,438	3,974	0	6,496
MONTGOMERY	363	1,696,040	424	14,796	23,562	0	38,782
MORGAN	57	1,265,832	316	12,620	20,253	0	33,189
MURRAY	60	436,495	109	2,532	6,329	0	8,970
MUSCOGEE	19	203,398	51	1,758	4,753	772	7,334
NEWTON	7	79,900	20	785	1,568	213	2,586
OCONEE	11	133,981	33	1,194	2,204	0	3,431
OGLETHORPE	339	2,835,071	709	16,982	35,438	0	53,129
PAULDING	6	233,401	56	1,707	4,200	0	5,963
PEACH	23	262,756	66	3,905	4,073	0	8,044
PICKENS	45	667,934	167	4,008	12,377	0	16,552
PIERCE	343	3,011,284	753	22,895	41,767	0	65,415
PIKE	5	47,584	12	380	558	0	950
POLK	41	386,888	97	4,227	5,688	0	10,012
PULASKI	163	1,321,093	330	16,170	19,816	1,321	37,637
PUTNAM	42	608,056	152	6,081	7,108	0	13,341
QUITMAN	80	842,698	211	10,677	14,848	0	25,782
RABUN	114	1,498,489	375	12,154	10,253	0	22,784
RANDOLPH	200	1,097,104	274	8,898	20,220	0	29,392
RICHMOND	15	105,560	26	623	2,171	156	2,976
ROCKDALE	122	334,450	84	4,334	7,679	0	12,097
SCHLEY	103	605,268	151	7,427	11,566	0	19,144
SCREVEN	506	4,005,458	1,001	51,973	60,883	0	113,857
SEMINOLE	135	1,152,243	288	10,924	17,618	864	29,694
SPALDING	98	1,469,764	367	14,257	26,485	4,527	45,636
STEPHENS	5	66,960	17	505	992	0	1,514
STEWART	140	1,126,399	282	14,576	13,168	0	28,026
SUMTER	566	4,958,973	1,240	49,590	71,360	4,261	126,451
TALBOT	120	813,759	203	13,597	12,166	0	25,966
TALIAFERRO	156	955,293	239	17,118	15,657	0	33,014
TATTNALL	474	2,995,244	749	46,456	41,095	0	88,300
TAYLOR	348	2,750,633	688	25,586	30,257	0	56,531
TELFAIR	369	2,114,387	529	19,241	23,808	0	43,578
TERRELL	290	2,348,261	587	30,997	34,285	0	65,869
THOMAS	48	1,474,409	369	6,605	15,924	3,434	26,332

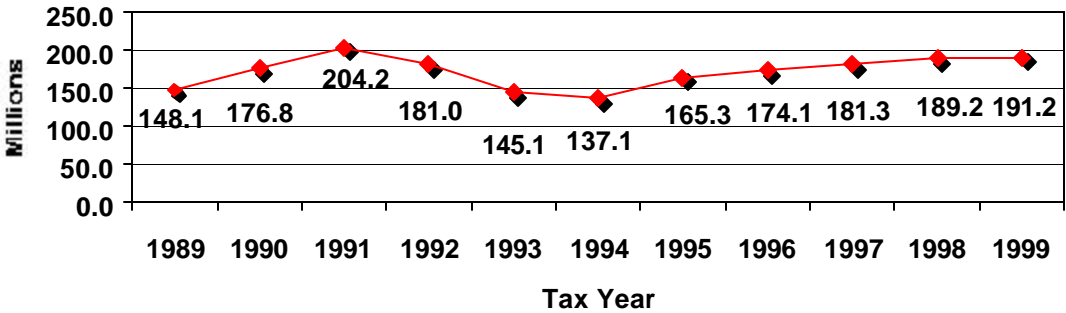
COUNTY	PARCEL COUNT	VALUE ELIMINATED	STATE TAX LOSS	COUNTY TAX LOSS	SCHOOL TAX LOSS	SPECIAL TAX LOSS	TOTAL TAX LOSS
TIFT	1	5,392	1	48	74	0	123
TOOMBBS	160	834,400	209	4,612	12,516	834	18,171
TOWNS	2	36,530	9	219	146	0	374
TREUTLEN	177	846,418	212	12,801	9,988	0	23,001
TROUP	82	575,433	144	5,081	10,231	0	15,456
TURNER	56	660,327	165	9,000	8,254	0	17,419
TWIGGS	291	1,179,078	295	16,229	20,575	0	37,099
UNION	1	20,635	5	100	175	0	280
UPSON	13	79,107	20	880	1,270	0	2,170
WALKER	57	733,688	183	1,849	10,059	0	12,091
WALTON	102	1,417,701	354	14,829	26,189	0	41,372
WARE	313	1,479,302	370	19,971	24,083	0	44,424
WARREN	260	1,426,359	357	12,980	23,564	0	36,901
WASHINGTON	171	1,050,031	263	10,398	20,003	0	30,664
WAYNE	237	1,815,438	454	22,512	25,053	0	48,019
WEBSTER	101	1,072,164	268	11,954	13,670	0	25,892
WHEELER	314	1,645,044	430	15,001	17,644	0	33,075
WHITE	39	435,668	109	1,956	6,530	0	8,595
WHITFIELD	182	1,717,375	429	3,528	31,943	0	35,900
WILCOX	669	4,579,654	1,145	64,115	57,749	0	123,009
WILKES	310	2,370,787	593	18,257	39,782	0	58,632
TOTAL	22,720	191,175,426	47,795	1,934,284	2,703,405	68,523	4,754,007

**Figure 13** below and **Figure 14** on the following page illustrate, since 1989, the amount of revenue loss and the ever-increasing amount of value removed annually from digests affected by the Preferential Agricultural Assessment program.

**Figure 13 - Preferential Agricultural Assessment Revenue**



**Figure 14 - Preferential Agricultural Assessed Value Eliminated**



## Conservation Use Valuation

In 1991 the Legislature embraced the "current use" valuation concept. This bill provided for the assessment for ad valorem tax purposes of certain qualifying properties based on current use value rather than fair market value. The bill also provided for the Commissioner to develop a table of current use values to be used in all counties, which results from a legislative formula taking into account the amount of income the land is capable of producing when growing certain crops and timber, and factors founded in market data using only farmer to farmer land sales.

The data is grouped into nine agricultural districts in Georgia. Tax year 1998 was the seventh year of the conservation use program, where county tax digests are continuing to show that taxpayers are continuing to take advantage of this preferential assessment program.

Unlike the Preferential Agricultural Assessment Program in which assessments are based on 30% of fair market value rather than 40% of fair market value statewide, the valuation of property in Conservation Use Covenants is most significant in the Urban Areas of North Georgia and other parts of the State where strong residential and commercial development is occurring. As a result, agricultural landowners' interest is greatest in these transitional areas.

Because the statute requires the Commissioner to develop the annual table of land values for use by the counties, a significant increase in the responsibilities of the Property Tax Division field staff occurred. The man-hours required of the staff in performing this responsibility currently consume 25% of the staff's time.

Accordingly, there has been a cutback in the amount of technical assistance the Department can provide to the appraisal of non-operating public utility property, as is also required by statute. This understaffing is the motivation behind the Department's request for funding approval in the supplemental budget for 6 additional appraisers.

Several reports, graphs, and charts are being included in this report to show the fiscal impact of conservation use valuation.

**Table 4** below represents the 10 counties most affected by Conservation Use Assessment Covenants. Shown in this table is a listing by county of the number of applications (parcel count), assessed value eliminated from the digest, the amount of tax loss for each of the tax types, and the total tax loss. The total amount of tax loss in these 10 counties accounts for approximately 40% of the total amount of tax loss statewide.

**TABLE 4 – CONSERVATION USE FISCAL IMPACT**

COUNTY	PARCEL COUNT	VALUE ELIMINATED	STATE TAX LOSS	COUNTY TAX LOSS	SCHOOL TAX LOSS	SPECIAL TAX LOSS	TOTAL TAX LOSS
CHEROKEE	2,023	130,322,960	32,581	775,421	2,650,751	319,901	3,778,654
GWINNETT	559	75,580,510	18,895	699,121	1,492,715	225,210	2,435,941
HENRY	1,012	60,946,825	15,237	687,844	1,310,356	182,841	2,196,278
MORGAN	905	78,655,147	19,664	784,191	1,258,482	0	2,062,337
BARROW	1,328	63,792,722	15,948	402,502	1,297,834	111,329	1,827,613
JACKSON	1,138	62,666,269	15,667	478,206	1,191,485	76,006	1,761,364
HALL	1,850	75,710,855	18,928	492,121	1,025,928	190,389	1,727,366
OCONEE	1,217	57,820,903	14,455	516,581	951,154	0	1,482,190
PAULDING	869	53,118,112	13,280	405,823	998,621	0	1,417,724
FORSYTH	888	67,940,960	16,985	178,685	1,134,614	67,941	1,398,225



**Table 5** provides a listing of each county and the number of parcels receiving Conservation Use Assessment, the amount of value eliminated from the taxable digest in each county and the tax dollar loss in each appropriate taxing district (State, County, School, Special) and the total tax dollar loss. Special districts include Hospital Authorities, Fire Districts, Industrial Authorities,

**TABLE 5 – CONSERVATION USE VALUATION ASSESSMENT FOR 1998**

COUNTY	PARCEL COUNT	VALUE ELIMINATED	STATE TAX LOSS	COUNTY TAX LOSS	SCHOOL TAX LOSS	SPECIAL TAX LOSS	TOTAL TAX LOSS
APPLING	33	187,034	47	1,839	2,897	0	4,783
ATKINSON	45	96,360	24	1,546	1,277	0	2,847
BACON	153	1,151,095	288	14,964	14,389	0	29,641
BAKER	3	13,437	3	129	226	0	358
BALDWIN	373	4,088,750	1,022	52,214	68,078	0	121,314
BANKS	630	41,341,412	10,335	258,384	512,634	33,073	814,426
BARROW	1,328	63,792,722	15,948	402,502	1,297,834	111,329	1,827,613
BARTOW	743	21,001,268	5,250	146,670	384,716	0	536,636
BEN HILL	161	1,681,140	420	23,536	31,101	0	55,057
BERRIEN	52	234,850	59	3,112	2,466	0	5,637
BIBB	15	1,255,277	314	17,006	24,981	3,766	46,067
BLECKLEY	235	4,947,705	1,237	45,510	60,609	0	107,356
BRANTLEY	99	640,802	160	10,047	9,894	244	20,345
BROOKS	135	2,740,339	685	29,305	38,118	0	68,108
BRYAN	167	3,204,640	801	23,074	54,479	0	78,354
BULLOCH	1,573	24,970,800	6,243	245,963	259,697		511,903
BURKE	0	0	0	0	0	0	0
BUTTS	720	16,373,266	4,093	277,691	288,497	0	570,281
CALHOUN	0	0	0	0	0	0	0
CAMDEN	199	3,895,882	974	54,035	58,438	3,246	116,693
CANDLER	270	4,095,575	1,024	44,839	51,195	0	97,058
CARROLL	1,329	40,726,725	10,182	187,343	716,697	0	914,222
CATOOSA	292	11,678,637	2,920	31,991	151,822	0	186,733
CHARLTON	324	3,553,085	888	41,186	51,200	15,776	109,050
CHATHAM	53	3,321,897	830	36,574	65,873	6,134	109,411
CHATTAHOOCHEE	0	0	0	0	0	0	0
CHATTOOGA	470	10,616,269	2,654	86,361	99,571	0	188,586
CHEROKEE	2,023	130,322,960	32,581	775,421	2,650,751	319,901	3,778,654
CLARKE	185	5,142,691	1,286	69,170	96,425	1,286	168,167
CLAY	2	44,050	11	675	456	0	1,142
CLAYTON	153	3,859,008	965	15,861	70,774	17,453	105,053
CLINCH	0	0	0	0	0	0	0
COBB	742	42,536,087	10,634	306,260	738,147	179,519	1,234,560
COFFEE	674	13,918,083	3,480	87,962	226,169	0	317,611
COLQUITT	1,252	13,902,904	3,476	165,115	123,736	30,159	322,486
COLUMBIA	3,218	37,340,037	9,335	287,518	653,824	0	950,677
COOK	392	6,786,596	1,697	47,506	100,102	0	149,305
COWETA	1,030	15,411,602	3,853	81,492	310,235	38,305	433,885
CRAWFORD	145	1,227,267	307	18,127	22,704	0	41,138
CRISP	42	291,921	73	3,780	4,731	253	8,837
DADE	66	1,396,241	349	8,727	18,207	0	27,283
DAWSON	435	35,024,677	8,756	218,554	444,813	0	672,123
DECATUR	6	129,367	32	1,293	1,598	0	2,923
DEKALB	2,020	774,220	194	8,795	17,404	2,958	29,351
DODGE	0	0	0	0	0	0	0
DOOLY	28	211,509	53	2,802	3,553	0	6,408
DOUGHERTY	66	2,881,040	720	31,980	50,994	19,108	102,802
DOUGLAS	212	8,146,266	2,037	77,227	147,447	0	226,711
EARLY	24	213,284	53	1,423	2,773	0	4,249
ECHOLS	15	157,021	39	1,952	2,049	0	4,040
EFFINGHAM	782	11,819,870	2,955	101,710	195,501	20,177	320,343
ELBERT	234	1,958,596	490	16,413	30,358	0	47,261
EMANUEL	15	41,686	10	510	438	54	1,012
EVANS	7	63,751	16	446	701	0	1,163
FANNIN	798	20,749,721	5,187	131,138	574,519	0	410,844
FAYETTE	245	12,735,624	3,184	117,180	299,669	0	420,033
FLOYD	765	8,607,178	2,152	93,474	144,575	10,678	250,879
FORSYTH	888	67,940,960	16,985	178,685	1,134,614	67,941	1,398,225
FRANKLIN	1,216	14,694,809	3,674	121,366	208,078	0	333,118

COUNTY	PARCEL COUNT	VALUE ELIMINATED	STATE TAX LOSS	COUNTY TAX LOSS	SCHOOL TAX LOSS	SPECIAL TAX LOSS	TOTAL TAX LOSS
FULTON	365	18,408,660	4,602	252,015	382,164	80,006	718,787
GILMER	937	18,855,960	4,714	112,389	246,448	0	363,551
GLASCOCK	6	54,523	14	739	775	0	1,528
GLYNN	66	1,912,509	478	13,368	33,469	3,209	50,524
GORDON	1,044	23,974,302	5,994	183,403	416,704	0	606,101
GRADY	206	8,780,588	2,195	59,445	121,172	0	182,812
GREENE	401	6,341,892	1,585	61,199	69,761	0	132,545
GWINNETT	559	75,580,510	18,895	699,121	1,492,715	225,210	2,435,941
HABERSHAM	741	44,772,256	11,193	338,440	469,661	26,863	846,157
HALL	1,850	75,710,855	18,928	492,121	1,025,928	190,389	1,727,366
HANCOCK	241	2,135,050	534	66,080	35,911	0	102,525
HARALSON	314	5,954,720	1,489	54,446	83,116	0	139,051
HARRIS	388	10,490,504	2,623	68,657	172,569	0	243,849
HART	429	16,380,432	4,095	87,063	247,360	0	338,518
HEARD	360	13,746,981	3,437	124,204	182,147	0	309,788
HENRY	1,012	60,946,825	15,237	687,844	1,310,356	182,841	2,196,278
HOUSTON	228	12,806,402	3,202	114,105	159,568	8,580	285,455
IRWIN	610	6,551,583	1,638	73,050	109,346	6,224	190,258
JACKSON	1,138	62,666,269	15,667	478,206	1,191,485	76,006	1,761,364
JASPER	819	28,750,122	7,188	405,973	500,827	0	913,988
JEFF DAVIS	3	169,804	42	1,404	2,165	0	3,611
JEFFERSON	722	13,391,192	3,348	153,999	145,964	6,696	310,007
JENKINS	6	99,885	25	1,403	1,080	0	2,508
JOHNSON	312	1,102,840	276	15,112	15,164	0	30,552
JONES	177	2,860,074	715	28,544	33,749	0	63,008
LAMAR	283	4,916,988	1,229	40,565	82,065	0	123,859
LANIER	11	75,327	19	578	1,391	0	1,988
LAURENS	14	104,208	26	677	1,368	0	2,071
LEE	210	11,264,949	2,816	157,709	175,508	0	336,033
LIBERTY	23	274,540	69	3,300	4,887	1,098	9,354
LINCOLN	193	1,008,688	252	12,952	15,181	1,715	30,100
LONG	49	598,759	150	9,857	9,401	0	19,408
LOWNDES	266	9,981,205	2,495	74,266	143,130	0	219,891
LUMPKIN	724	32,726,359	8,182	319,082	523,622	0	850,886
MACON	9	30,563	8	331	477	0	816
MADISON	562	9,021,046	255	80,665	111,049	1,443	195,412
MARION	6	69,517	17	501	956	0	1,474
MCDUFFIE	178	3,832,865	958	30,126	45,994	0	77,078
MCINTOSH	42	1,457,643	364	14,212	22,229	1,093	37,898
MERIWETHER	977	40,510,838	10,128	305,518	638,046	0	953,692
MILLER	35	366,338	92	5,986	6,136	0	12,214
MITCHELL	974	45,654,447	11,414	712,666	444,891	0	1,168,971
MONROE	318	5,512,023	1,378	39,962	65,152	0	106,492
MONTGOMERY	30	241,616	60	2,105	3,305	0	5,470
MORGAN	905	78,655,147	19,664	784,191	1,258,482	0	2,062,337
MURRAY	246	4,308,744	1,077	24,991	62,477	0	88,545
MUSCOGEE	69	3,392,243	848	29,309	79,277	6,304	115,738
NEWTON	1,028	36,863,617	9,216	362,001	720,684	97,274	1,189,175
OCONEE	1,217	57,820,903	14,455	516,581	951,154	0	1,482,190
OGLETHORPE	35	508,156	127	3,060	6,352	0	9,539
PAULDING	869	53,118,112	13,280	405,823	998,621	0	1,417,724
PEACH	120	2,731,542	683	40,591	42,339	0	83,613
PICKENS	255	11,062,496	2,766	66,375	204,988	0	274,129
PIERCE	59	1,133,685	283	8,616	15,724	0	24,623
PIKE	511	10,585,747	2,646	84,623	124,171	0	211,440
POLK	549	11,383,510	2,846	124,365	167,360	0	294,571
PULASKI	6	16,966	4	208	254	17	483
PUTNAM	203	6,997,617	1,749	69,977	81,802	0	153,528
QUITMAN	0	0	0	0	0	0	0
RABUN	319	18,230,104	4,558	147,852	124,730	0	277,140
RANDOLPH	0	0	0	0	0	0	0
RICHMOND	156	2,728,253	682	16,124	56,121	3,827	76,754
ROCKDALE	719	6,098,312	1,525	79,034	140,018	0	220,577
SCHLEY	0	0	0	0	0	0	0
SCREVEN	16	98,693	25	1,308	1,500	0	2,833
SEMINOLE	7	54,916	14	521	840	41	1,416
SPALDING	342	15,982,947	3,996	155,035	288,013	47,805	494,849
STEPHENS	267	7,511,776	1,878	56,639	111,325	0	169,842
STEWART	5	43,732	11	566	511	0	1,088
SUMTER	23	353,927	88	3,539	5,093	524,588	9,244
TALBOT	982	10,374,865	2,594	173,364	155,105	0	331,063
TALIAFERRO	4	21,824	5	4391	358	0	754

COUNTY	PARCEL COUNT	VALUE ELIMINATED	STATE TAX LOSS	COUNTY TAX LOSS	SCHOOL TAX LOSS	SPECIAL TAX LOSS	TOTAL TAX LOSS
TATTNALL	37	229,687	57	3,563	3,151	0	6,771
TAYLOR	2	47,730	12	444	525	0	981
TELFAIR	4	16,638	4	151	187	0	342
TERRELL	7	113,336	28	1,496	1,655	0	3,179
THOMAS	701	24,417,559	6,104	109,866	261,688	50,561	428,219
TIFT	740	23,263,946	5,816	208,678	319,879	232	534,605
TOOMBS	2	9,967	2	63	150	10	225
TOWNS	181	4,966,446	1,242	29,799	19,866	0	50,907
TREUTLEN	0	0	0	0	0	0	0
TROUP	621	9,616,364	2,404	84,912	170,979	0	258,295
TURNER	861	15,477,964	3,869	210,964	193,475	0	408,308
TWIGGS	0	0	0	0	0	0	0
UNION	640	26,278,669	6,570	127,714	223,369	0	357,653
UPSON	396	6,682,733	1,671	75,159	107,258	0	184,088
WALKER	309	12,515,729	3,129	31,540	171,591	0	206,260
WALTON	757	43,845,686	10,961	458,625	804,806	0	1,274,392
WARE	18	73,358	18	990	1,194	0	2,202
WARREN	56	179,890	45	1,637	2,972	0	4,654
WASHINGTON	1	1,157	0	11	22	0	33
WAYNE	438	3,261,948	815	40,448	45,015	0	86,278
WEBSTER	47	675,012	169	7,526	8,606	0	16,301
WHEELER	2	15,515	4	135	159	0	298
WHITE	718	33,291,320	8,323	149,478	498,982	0	656,783
WHITFIELD	14	222,093	56	444	4,131	0	4,631
WILCOX	7	72,514	18	1,015	914	0	1,947
WILKES	460	5,359,800	1,340	41,381	89,937	0	132,658
WILKINSON	301	4,326,297	1,082	42,917	65,976	0	109,975
WORTH	864	18,299,753	4,575	182,479	215,205	6,039	408,298
TOTAL	60,116	1,977,369,595	494,345	16,358,290	31,775,417	1,905,367	50,533,419

Figure 15 below and Figure 16 on the following page illustrates the amount of revenue loss, the ever increasing amount of value removed annually from digests affected by the Conservation Use Valuation program since 1993.

**Figure 15 - Conservation Use Revenue Loss**

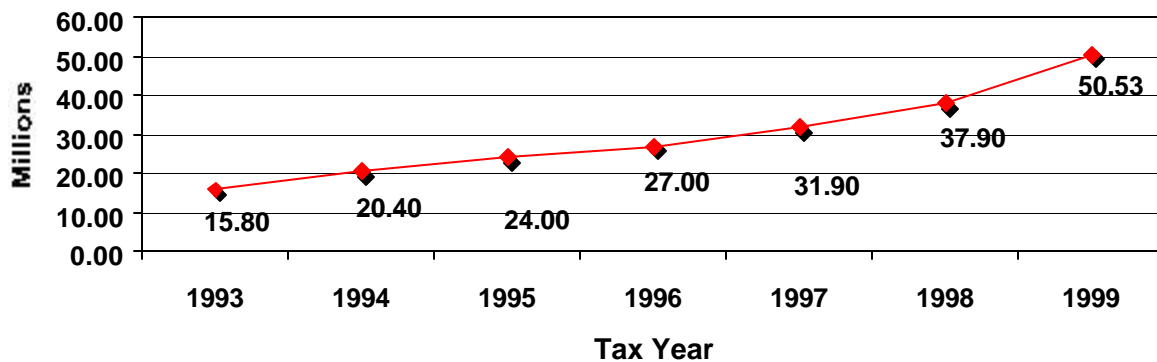
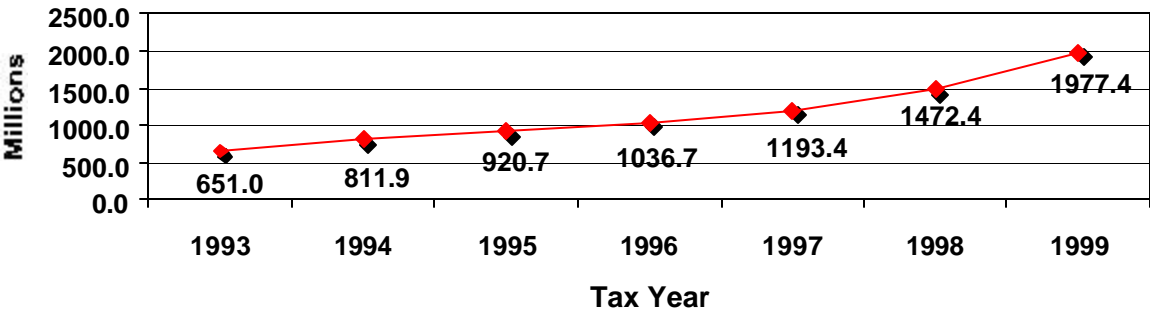


Figure 16 - Conservation Use Assessed Value  
Eliminated



## Timber Impact Report

Prior to 1992, timber was taxed annually as part of the tax digest. At that time, approximately 82 counties placed some value on standing timber, while other counties either did not tax timber at all or could not identify the value separate from the land value.

Along with Conservation Use Valuation, the amendment to the Georgia Constitution, which was approved by the electorate in 1991, also provided for a one-time assessment on harvested timber versus the annual taxation of timber as part of the value of real estate. Timber is now taxed once at its current value when harvested.

Pursuant to O.C.G.A. Section 48-5-7.4(s), **Table 6** below and on the following page is the report required regarding timber revenue. This report shows the 1998 total assessed value (100%) of timber and the revenue for county and school purposes as reported on each county's 1999 digest.

Effective January 1, 1996, a change in the timber tax law affected the billing of owner harvests transactions and the Department's responsibility to develop average timber value tables. The Department now develops this table of values on an annual basis, rather than on a quarterly basis.

**TABLE 6 – 1998 TIMBER REVENUE REPORTED ON 1999 TAX DIGESTS**

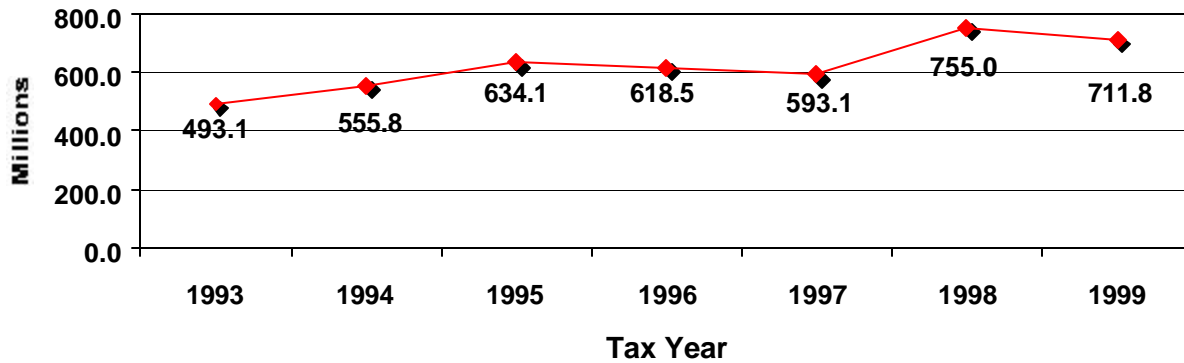
COUNTY	ASSESSED VALUE	COUNTY TAX	SCHOOL TAX	TOTAL TAX	COUNTY	ASSESSED VALUE	COUNTY TAX	SCHOOL TAX	TOTAL TAX
APPLING	10,574,342	93,371	148,041	241,412	DADE	824,572	4,741	11,486	16,227
ATKINSON	9,016,212	115,669	119,474	235,143	DAWSON	4,179,259	38,784	75,227	114,011
BACON	3,995,045	51,936	49,938	101,874	DECATUR	5,090,166	55,992	65,409	121,401
BAKER	2,392,810	23,533	40,199	63,732	DEKALB	644,822	6,835	14,496	21,331
BALDWIN	4,753,720	60,705	79,149	139,854	DODGE	6,932,534	69,325	90,123	159,448
BANKS	920,175	6,947	9,570	16,517	DOOLY	1,741,745	20,901	29,261	50,162
BARROW	422,456	3,380	8,246	11,626	DOUGHERTY	2,531,505	28,099	44,808	72,907
BARTOW	1,784,054	12,381	33,505	45,886	DOUGLAS	1,360,742	13,172	24,629	37,801
BEN HILL	3,445,871	49,965	69,779	119,744	EARLY	3,312,639	21,333	37,764	59,097
BERRIEN	5,896,968	78,135	66,341	144,476	ECHOLS	13,577,345	161,570	177,157	338,727
BIBB	1,045,630	14,202	18,842	33,044	EFFINGHAM	8,577,795	73,812	139,818	213,630
BLECKLEY	1,783,152	20,631	23,894	44,525	ELBERT	5,085,712	42,618	73,743	116,361
BRANTLEY	10,678,357	167,514	166,369	333,883	EMANUEL	12,800,506	124,805	134,405	259,210
BROOKS	2,573,991	26,770	36,860	63,630	EVANS	921,857	8,168	12,906	21,074
BRYAN	4,855,332	34,959	81,133	116,092	FANNIN	167,323	1,057	1,991	3,048
BULLOCH	8,632,957	83,394	89,783	173,177	FAYETTE	635,889	3,023	15,255	18,278
BURKE	10,778,433	51,736	117,485	169,221	FLOYD	2,507,721	27,560	42,255	69,815
BUTTS	2,100,000	39,816	37,002	76,818	FORSYTH	108,183	319	1,931	2,250
CALHOUN	1,408,992	17,598	14,344	31,942	FRANKLIN	459,526	2,564	6,507	9,071
CAMDEN	15,270,012	258,980	229,050	488,030	FULTON	1,734,397	17,760	34,592	52,352
CANDLER	1,734,159	17,116	19,943	37,059	GILMER	916,247	9,517	10,638	20,155
CARROLL	4,646,026	24,160	80,176	104,336	GLASCOCK	4,473,598	64,062	63,570	127,632
CATOOSA	538,572	1,897	7,539	9,436	GLYNN	10,653,468	76,918	182,814	259,732
CHARLTON	15,188,408	193,365	218,865	412,230	GORDON	1,832,697	12,939	32,109	45,048
CHATHAM	3,112,813	36,233	59,579	95,812	GRADY	7,243,502	45,127	97,787	142,914
CHATTAHOOCHEE	695,075	1,418	7,097	8,515	GREENE	5,952,088	53,866	68,687	122,553
CHATTOOGA	792,993	7,014	7,930	14,944	GWINNETT	782,836	7,946	14,210	22,156
CHEROKEE	2,842,546	16,913	57,817	74,730	HABERSHAM	563,630	4,503	6,194	10,697
CLARKE	604,461	8,130	11,183	19,313	HALL	373,566	2,578	5,447	8,025
CLAY	2,560,148	38,632	25,857	64,489	HANCOCK	11,871,887	341,792	199,685	541,477
CLAYTON	771,443	631	14,148	16,779	HARALSON	4,417,000	41,470	63,269	104,739
CLINCH	15,000,000	142,650	210,000	352,650	HARRIS	3,869,235	25,266	63,649	88,915
COBB	207,068	1,522	3,692	5,214	HART	911,941	5,180	14,910	20,090
COFFEE	9,407,392	50,235	159,455	209,690	HEARD	5,437,581	48,938	85,642	134,580
COLQUITT	4,775,848	65,119	42,505	107,624	HENRY	2,198,916	20,714	47,277	67,991
COLUMBIA	5,686,669	43,788	102,417	146,205	HOUSTON	4,550,490	37,769	56,699	94,468
COOK	953,751	6,896	14,783	21,679	IRWIN	4,672,967	52,104	77,992	130,096
COWETA	4,700,068	25,547	95,787	121,334	JACKSON	287,838	2,184	5,578	7,762
CRAWFORD	3,266,193	48,176	60,425	108,601	JASPER	8,728,040	116,170	132,492	248,662
CRISP	3,359,503	39,474	54,441	93,915	JEFF DAVIS	7,148,675	47,682	91,146	138,828

**TABLE 6 (Continued)– 1998 TIMBER REVENUE REPORTED ON 1999 TAX DIGESTS**

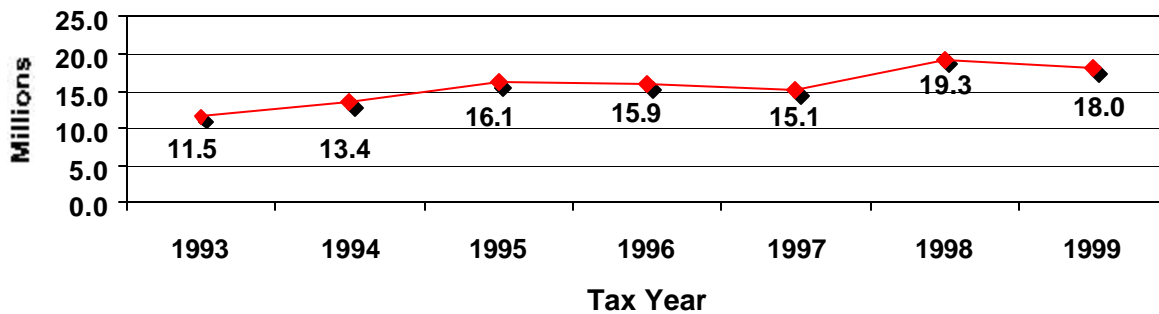
COUNTY	ASSESSED VALUE	COUNTY TAX	SCHOOL TAX	TOTAL TAX	COUNTY	ASSESSED VALUE	COUNTY TAX	SCHOOL TAX	TOTAL TAX
JEFFERSON	7,247,118	83,373	83,342	166,715	RICHMOND	2174000	12848	44719	57567
JENKINS	4,105,711	56,495	44,383	100,878	ROCKDALE	1125203	14583	25835	40418
JOHNSON	6,933,088	95,349	95,330	190,679	SCHLEY	2805995	33419	40631	74050
JONES	8,226,953	82,105	104,071	186,176	SCREVEN	5358875	69505	81455	150960
LAMAR	1,382,681	11,407	22,386	33,793	SEMINOLE	930123	5330	14222	19552
LANIER	3,970,584	41,016	73,337	114,353	SPALDING	2265239	26164	42224	68388
LAURENS	10,499,357	68,246	137,857	206,103	STEPHENS	1100402	8508	16341	24849
LEE	1,759,174	21,989	27,408	49,397	STEWART	5440252	62781	62400	125181
LIBERTY	6,047,016	72,565	107,637	180,202	SUMTER	4301200	32259	57636	89895
LINCOLN	3,847,590	53,251	57,906	111,157	TALBOT	4490777	72616	68619	141235
LONG	11,681,730	192,164	183,403	375,567	TALIAFERRO	3143373	52180	47151	99331
LOWNDES	4,235,734	22,253	57,278	79,531	TATTNALL	5637161	87489	74411	161900
LUMPKIN	614,440	6,077	9,628	15,705	TAYLOR	3938265	32018	36744	68762
MACON	3,047,543	26,940	47,542	74,482	TELFAIR	10850280	109588	147781	257369
MADISON	2,113,907	18,881	24,733	43,614	TERRELL	6453232	85183	94217	179400
MARION	6,496,081	49,299	92,569	141,868	THOMAS	4819093	28676	42393	71069
MCDUFFIE	3,778,782	34,689	51,014	85,703	TIFT	999459	8965	11744	20709
MCINTOSH	7,924,720	71,322	120,852	192,174	TOOMBS	4764723	30936	71471	102407
MERIWETHER	5,432,523	54,325	92,353	146,678	TOWNS	0	0	0	0
MILLER	649,535	10,126	10,717	20,843	TREUTLEN	2943711	45892	37827	83719
MITCHELL	6,512,235	87,459	47,214	134,673	TROUP	5146391	45443	91503	136946
MONROE	5,012,300	30,575	60,950	91,525	TURNER	3236925	44119	40462	84581
MONTGOMER	6,698,598	58,144	93,111	151,255	TWIGGS	6723785	95343	102202	197545
MORGAN	5,210,696	51,951	78,160	130,111	UNION	262966	1278	2235	3513
MURRAY	2,269,848	13,165	30,643	43,808	UPSON	1847478	21177	30945	52122
MUSCOGEE	270,204	2,464	6,288	8,752	WALKER	1861875	5325	23720	29045
NEWTON	2,960,960	21,675	58,124	79,799	WALTON	3451669	36898	58195	95093
OCONEE	1,766,835	15,750	29,241	44,991	WARE	17189930	206279	279852	486131
OGLETHORPE	9,284,308	73,810	125,338	199,148	WARREN	7638864	92430	126194	218624
PAULDING	2,558,873	21,981	56,039	78,020	WASHINGTON	16733426	168338	306891	475229
PEACH	554,942	8,246	8,602	16,848	WAYNE	12474884	148451	172153	320604
PICKENS	1,303,073	8,353	17,722	26,075	WEBSTER	4670122	57022	60525	117547
PIERCE	3,420,947	34,576	50,869	85,445	WHEELER	12778378	133406	134173	267579
PIKE	1,472,280	13,324	18,610	31,934	WHITE	654720	3208	10728	13936
POLK	2,823,440	30,846	38,687	69,533	WHITFIELD	522364	1045	8932	9977
PULASKI	2,329,865	28,681	34,948	63,629	WILCOX	6390742	99057	86978	186035
PUTNAM	7,315,238	77,029	86,320	163,349	WILKES	6299538	42540	88194	130734
QUITMAN	3,022,324	38,988	53,042	92,030	WILKINSON	7250000	71920	110563	182483
RABUN	120,000	1,115	946	2,061	WORTH	6365450	61999	65310	127309
RANDOLPH	8,609,906	63,713	160,403	224,116	<b>STATE TOTAL</b>	<b>711,804,094</b>	<b>7,631,634</b>	<b>10,362,780</b>	<b>17,992,416</b>

**Figures 17 and 18** show the amount of timber value reported and the amount of tax levied for county and school tax purposes for the years 1993 through 1999.

**Figure 17 - State Wide Timber Values**



**Figure 18 - County and School Revenue from Timber**



## **Recommendations**

Property Tax in Georgia is excellent due in large part to the dedication of the state and county staffs, however, the strain of maintaining a uniform and fair system with limited resources is beginning to show. Trends show assessment quality beginning to again deteriorate and the trend cannot be stopped without either another round of expensive revaluations in the next three years or a greater centralization of expertise that can be made available to counties. With the passage of conservation use, new digest review procedures, the development of public utility equalization ratios and the new method of timber taxation, The Governor's "Taxpayer Bill of Rights", and the "Homeowner Tax Relief Grants", the resources of the Property Tax Division of the Department have been exhausted to the point that it has become necessary to cut back severely on state provided services. This cut back of state provided services will continue unless additional staffing is provided to the Department to carry on the responsibilities of administering property tax.

The Department believes the following improvements will significantly reduce the cost to Georgians for funding our current system of taxation, while improving the uniformity of assessments:

### **1. Increase the number of field positions assigned to the administration of ad valorem tax from the current 15 positions**

- The 15 Property Tax field positions are currently responsible for digest review, conservation use development, timber taxation, public utility review, satellite imagery, mass appraisal development and support, auditing of county digests, auditing of state tax collections, the training of assessors, appraisers, board of equalization members and tax commissioners, legislation review, development of rules and regulations, and special projects that have become more and more frequent. In addition to these ongoing responsibilities, the Governor's "Taxpayer Bill of Rights" (Senate Bill 177) and the "Homestead Tax Relief Grants" (House Bill 553) have caused the Department's resources to be strained to the point that a cutback in duties is beginning to take its toll.

- Of the total 15 positions, there are currently only 10 field staff positions dedicated to the administration of the assessing functions of ad valorem tax; of which 2 of these 10 positions are dedicated entirely to instruction and the State's mass appraisal system. This leaves only 8 positions to assist 159 county boards of tax assessors in their responsibilities of maintaining uniform and equalized property values.

- The Governor's "Taxpayer Bill of Rights" has already required the Department to dedicate personnel time and resources to provide counties with the training and guidance in gearing up to implement the many changes required of local tax officials. It is estimated that these field appraisers spend approximately 20% of their time advising the county tax officials on the proper implementation of this new legislation. This has caused further strain to the Property Tax Division's staff.

- The development of the "Appraisal Procedures Manual" required in O.C.G.A. 269.1 has been an ongoing process for the last two years and will continue to require the Department to focus on this responsibility as legislation affecting the property tax process is passed. The manual currently contains some reserved sections that will need to be developed to include appeal procedures, county appraisal staff requirements, uniform assessment standards, and other responsibilities regarding property tax matters. This ongoing responsibility will almost certainly cause further cutbacks in the effectiveness of the Division staff.



- The Governor's "Homeowner Tax Relief Grants" legislation is currently administered by 5 Property Tax Division auditors who spend approximately 30% of their time advising the county tax officials on the provisions of this new legislation. The responsibilities of the staff auditors consist of insuring that the counties are properly and accurately providing taxpayers with the amount of credit contemplated in the Governor's legislation, that the grants are distributed to the counties timely, and that the current funding of \$166 million is adequate to fund the program.

- For these reasons, the Department recommends that 6 additional field appraisers and 2 additional field auditors be funded in future budgets.

## **2. Conduct Research Into Rapidly Evolving Technologies**

- The past year has constituted a period of impressive change toward modernization of the Revenue Department, so as to provide accurate, fair and cost effective administration of the state tax laws. A commitment has been made to provide taxpayers and county tax officials with the information needed utilizing the most up-to-date technology available. This commitment has the future possibility of enhancing compliance and providing critical information for tax policy makers and those involved in taxpayer issues, as well as providing quality customer service to all interested parties. To this means, we have developed and continue to enhance a web site as a source of communication for public information services, and communication with other agencies and county tax officials. Current usage includes access to Codes, Rules and Regulations, electronic data regarding property tax procedures, homestead exemptions, filing requirements, county millage rates, digest values, motor vehicle valuations, and state and county telephone and address information. In the future, we see the web site allowing for the electronic filing of public utility returns and the distribution and transfer of mass appraisal updates. The possibilities are endless. Therefore, in order to comply with O.C.G.A. Section 48-5-270 which requires the Commissioner to actively seek out technological advancements and systems that will improve the uniformity, fairness, and efficiency of property valuations and assessments and include these recommendations in the annual budget request, we recommend that general discretionary funding for research and development of appraisal technologies in the form of computer systems, data collection systems and data distribution systems using the Internet be made available.

## **3. Reinstate Budget Funds for Minimum Staff Supplements**

- Up until the early 1990's the Department's budget provided for funding of one-half of the salaries of state-required minimum appraisal staffs and special salary supplements for appraisers obtaining specialized training and proving expertise in appraisal skills. Although the statutory authority still exists, neither of these programs has been funded for the last several years. The Department believes there is benefit to be gained in reinstating the staff grants to counties to encourage proper staffing levels and assessment practices. The additional state tax collected on digests that do not meet the overall statistical measures is a viable source for funding these supplements.

The Department desires to provide to the legislature all information necessary for the proper evaluation of legislative impact and implementation of property tax policies. It is hoped this report can be a tool for further understanding the state of Property Tax Administration in Georgia. The staff of the Property Tax Division will be able to provide more information or clarification of information upon request.

Respectfully Submitted,

T. Jerry Jackson  
Revenue Commissioner